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SERVICE DATE – SEPTEMBER 14, 2012

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35671]

Progressive Rail Incorporated – Continuance in Control Exemption – Iowa Traction
Railway Company

Progressive Rail Incorporated (PGR) has filed a verified notice of exemption pursuant to 49 C.F.R. § 1180.2(d)(2) to continue in control of Iowa Traction Railway Company (Iowa Railway) upon Iowa Railway's becoming a Class III rail carrier.

In a concurrently filed verified notice of exemption, Iowa Railway seeks Board approval to acquire from Iowa Traction Railroad Company (Iowa Railroad) and to operate a 10.4-mile rail line extending from milepost 0.0 at Mason City to milepost 10.4 at Clear Lake in Cerro Gordo County, Iowa (the Line). Iowa Traction Ry. – Acquis. & Operation Exemption – Rail Line of Iowa Traction R.R., Docket No. FD 35670.

The transaction may be consummated on or after September 30, 2012 (the effective date of the exemption).

PGR is a Class III rail carrier currently operating rail lines in Minnesota and Wisconsin. PGR also controls Central Midland Railway Company, which operates in Missouri.

PGR certifies that: (1) the Line does not connect with any other railroads in the corporate family; (2) the transaction is not part of a series of anticipated transactions that

would connect the Line with any other railroads in the corporate family; and (3) the transaction does not involve a Class I rail carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. § 11323. See 49 C.F.R. § 1180.2(d)(2).

Under 49 U.S.C. § 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under §§ 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here, because all of the carriers involved are Class III carriers.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Stay petitions must be filed no later than September 21, 2012 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35671, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Thomas F. McFarland, 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112.

Board decisions and notices are available on our website at
“WWW.STB.DOT.GOV.”

Docket No. FD 35671

Decided: September 11, 2012.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.